

STATEMENT OF PURPOSE

RS19950

These bonding rates are arbitrary and do not relate directly to impacts on the land surface and improvements thereon. They also could be duplicative of the geothermal well bonding authority of the Idaho Department of Water Resources in Section 42-4005. Impacts to the surface and improvements thereon will not occur until motorized exploration or development work has been initiated on the lease area. Requiring bonding prior to these activities is unnecessary. Bonding for lease performance is also not specifically authorized, and may be needed in some circumstances. This proposal will modify bonding to reflect actual surface disturbance while not duplicating the bonding required by the Idaho Department of Water Resources. This proposal will also modify bonding to allow for lease performance bonding.

FISCAL NOTE

These amendments have the potential to increase revenue to the general fund, as well as the endowment trusts. If adopted, the amendments will provide greater incentives for entrepreneurs to develop lucrative geothermal projects on endowment lands, public trust lands, and other state lands in Idaho, which will enhance the financial returns to the state.

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